

# United States Senate

WASHINGTON, DC 20510

April 5, 2011

Chairman Deanna Tanner Okun  
U.S. International Trade Commission  
500 E Street, N.W.  
Washington, DC 20436

Re: Hot-Rolled Flat-Rolled Steel Products from Brazil, Japan, and Russia  
Inv. Nos. 701-TA-384 and 731-TA-806-808 (Review)

Dear Chairman Okun:

On April 6, 2011, the International Trade Commission will hold the final injury hearing on hot-rolled steel from Brazil, Japan, and Russia. The U.S. hot-rolled steel industry and its suppliers play a critical role in our nation's economy and is an important employer in each of our states.

Unfairly traded imports of hot-rolled steel from Brazil, Japan, and Russia negatively impacted the domestic industry in the 1990s. In response to this, the domestic industry sought relief from these imports under our antidumping and countervailing duty laws by filing petitions with the appropriate agencies of the U.S. government. These petitions resulted in trade relief against all three countries and, consequently, a very large reduction in unfairly-traded imports from these countries. This relief is just as important now as it was a decade ago. We urge the Commission to continue this relief so that the domestic industry does not once again face the kind of devastating harm that it suffered before trade relief was provided.

At their peak, in a single year, imports from Brazil, Japan, and Russia totaled 7 million tons. As a result, their share of the U.S. merchant market more than quadrupled, from 5 percent in 1996 to 21 percent in 1998. Although U.S. demand for hot-rolled was quite strong at the time, the enormous import surge reduced the profitability of the domestic industry to nominal levels – leading to the subsequent collapse of the hot-rolled steel industry within a few years, as a large portion of the industry was forced into bankruptcy as the economy weakened.

While the performance of the industry has improved as economic growth has resumed following the recent recession, the industry is still in a fragile state. Furthermore, demand in many end-use sectors of the domestic hot-rolled industry, such as construction and automotive applications, remains weak, with no reasonable prospect for significant improvement any time soon.

We urge you to extend trade relief for this important industry, and thank you for the opportunity for allowing us to express these concerns to you and your colleagues at the Commission.

Sincerely,

Sharon Brown

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Carl Leri

Richard Shelby

John Boozman

Debbie Stabenow

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